Third Annual Report

of the

COMPENSATION REVIEW COMMISSIONER

for the year ended December 31, 1985

Submitted to:
The Lieutenant Governor in Council
February, 1986

OFFICE OF
COMPENSATION REVIEW COMMISSIONER

PROVINCE OF
PRINCE EDWARD ISLAND

25 Queen Street
P.O. Box 641
Charlottetown, P.E.I
C1A 7L3
Telephone: 892-7175

February 14, 1986

The Lieutenant Governor in Council
Province of Prince Edward Island
CHARLOTTETOWN
Prince Edward Island

Dear Sir:

In keeping with Section 28 of the Compensation Review Act, Stats. P.E.I. 1983, c.6, I present this report of activities for the 1985 calendar year.

I wish to acknowledge the excellent cooperation received from public sector employers during my limited involvement with the administration of this Act.

Respectfully submitted,

Randolph W. Manning
Commissioner

THIRD ANNUAL REPORT
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The Compensation Review Act, designed to limit increases in public sector salaries as part of the Province's fiscal restraint program, became effective in 1983. For each public sector employer as defined, pay increments were subject to control for a twenty-four month period beginning as each of its compensation plans, established by collective agreement or otherwise, expired on or after April 1, 1983. Pay increases in the new plans had to be negotiated under the limits provided in the Act, and submitted to the Commissioner for approval.

For administrative purposes, employers were divided into groups, based generally on existing bargaining units, or natural categories determined by responsibilities and qualifications which would call for similar policies for determining compensation. The maximum composite increase for each group was 5% of the existing straight time average hourly pay rate of the group, with no more than 40% of the increase to be applied to the first twelve months of the restraint period. The increase would be reduced by the value of any enrichment of fringe benefits. A further increase, to a maximum of an additional 2½%, could be allowed for special adjustments, but only if the Commissioner was satisfied that it was necessary to enhance the remuneration of employees whose rates were substantially below reasonable minimums. Within the limits finally approved for each group, percentage increases could vary among the members. Finally, each compensation plan had to be deemed by

the Commissoner to be fair and reasonable in relation to certain guidelines in a Schedule to the Act.

Section 30 of the Compensation Review Act permitted any group to be excluded from its provisions, if its employer and its own authorized employee representative signed an agreement undertaking to keep pay increases during the ensuing twenty-four months within the limits prescribed by the Act. Some 24 groups became exempt from the Commissioner's review under this process. There remained 69 groups in 28 public sector employers, involving over 2,000 employees, for which compensation plans were submitted to the Commissioner for review. All of them have now been approved, the last one on January 29, 1986; details are shown in Table I.

In addition, the situation of one crown corporation that was not in existence when the Act came into force, Garden Province Meats Inc., was referred to the Commissioner to determine whether or not it was subject to the restraint provisions. At the same time, some proposed increases for salaried employees for its second year of operations were submitted for consideration. It was noted that the labourers' union had signed an agreement providing for lower wages than those in the contract with the previous operator, Canada Packers, which extends beyond the end of the general restraint period, and that the salaried employees started work with the corporation at the same rates as paid by Canada Packers. Having in mind that the stated policy of the Province was that all organizations receiving major funding from the Provincial Government must comply with the guidelines in the Act, and that the proposed increases were within the limits imposed therein, it was determined that the general objectives

of the restraint program were being met by the new corporation, and that the increases should be put into effect.

The Commissioner is responsible for ensuring compliance by employers with the terms of the Act. It was concluded that this could be accomplished most efficiently and cost effectively by the employers' external auditors who, in the course of the annual audit of the accounts of each public sector employer involved, would review the procedures for administering its approved compensation plans, examine the related payroll records, and report direct to the Commissioner thereon. This work is now in progress, and all reports received so far from the auditors indicate that the actual pay increases are within the approved limits.

It is apparent that this is the only matter left for consideration by the Compensation Review Commissioner, and it should be completed late in 1986 when the accounts of each employer's second year of restraint will have been audited. Accordingly, it has been suggested to the Minister responsible for the Act that a bill providing for its repeal be submitted to the 1986 session of the Legislature, with proclamation date to be determined by the Lieutenant Governor in Council.

TABLE I

COMPENSATION PLANS APPROVED

through January 31, 1986

Public Sector Employers and Employee Groups	Date of Plan Approval	Restraint Period Two Years Beginning
LENNOX NURSING HOME		
Staff	November 17, 1983	July 1, 1983
PEI DEPT. OF EDUCATION		
School Board Supervisory	January 12, 1984	July 1, 1983
CHARLOTTETOWN AREA DEV. CORP.		
Management; Secretarial	January 12, 1984	January 1, 1984
Parkade Staff; Maintenance and Security Staff	January 23, 1984	January 1, 1984
KENSINGTON NURSING HOME		
Aides and R.N.s	February 10, 1984	April 1, 1983
GEORGETOWN SHIPYARD INC.		
Management & Other	March 7, 1984	January 1, 1984
Production Group (IAMAW)	January 15, 1985	March 1, 1984
PRINCE COUNTY NURSING HOME		
Administration	March 13, 1984	July 1, 1983
INDUSTRIAL ENTERPRISES INC.		
All Staff	May 9, 1984	April 1, 1984
LEGISLATIVE ASSEMBLY OF P.E.I.		
Sessional Staff	May 23, 1984	1984 Session
GARDEN NURSING HOME		
Three Groups	May 23, 1984	July 1, 1984
UNIVERSITY OF P.E.I.		
Faculty Association	June 5, 1984	July 1, 1984
WOOD NURSING HOME		
Three Groups	June 13, 1984	April 1, 1984
P.E.I. HOSPITALS & SCHOOL OF NURSING		
GHEA (8 Groups)	May 16, 1984	April 1, 1984
CUPE (8 Groups)	July 10, 1984	April 1, 1984
Management & Related (8 Groups)	July 13, 1984	April 1, 1984
PCBC Nurses (8 Groups)	November 20, 1984	April 1, 1984
PRINCE COUNTY ADDICTION SERVICES		
PSA Staff	July 17, 1984	April 1, 1984
PCBC Nurses	September 19, 1984	April 1, 1984
Administration	April 10, 1985	April 1, 1984

TABLE I (cont'd.)

Public Sector Employers and Employee Groups	Date of Plan Approval	Restraint Period Two Years Beginning
SUMMERSIDE WATERFRONT DEV. CORP.		
General Manager & Staff	September 25, 1984	August 1, 1983
Maintenance & Security	September 25, 1984	August 1, 1983
MARKET DEVELOPMENT CENTRE		
All Staff	October 29, 1984	April 1, 1984
LIVINGSTON & McARTHUR NURSING HOME		
Administration	November 2, 1984	May 1, 1983
PROVINCIAL GOVERNMENT		
Senior Compensation Plan	January 15, 1985	April 1, 1984
Excluded Employees	January 15, 1985	April 1, 1984
Contract Employees	January 15, 1985	April 1, 1984
P.E.I. GRAIN ELEVATORS CORP.		
Management	April 10, 1985	April 1, 1984
ALCOHOL & DRUG PROBLEMS INSTITUTE		
Administration	April 10, 1985	April 1, 1984
SACRED HEART HOME		
Executive	June 12, 1985	January 1, 1984
Administration	June 12, 1985	January 1, 1984
Professional	June 12, 1985	April 1, 1984
Support Staff (CUPE)	June 12, 1985	January 1, 1984
KINGS COUNTY ADDICTION SERVICES		
Administration	January 29, 1986	April 1, 1984